

EXHIBIT 10

FACTORY MUTUAL INSURANCE COMPANY
FILING FMIC-2016-1
Explanatory Filing Memorandum

Factory Mutual Insurance Company (herein, the “Company”) submits the enclosed property damage policy and 31 endorsement forms for your review and approval. The Company specializes in insuring high value, multi state, large and complex commercial and industrial entities commonly called Highly Protected Risk (HPR) business.

This explanatory filing memorandum is provided only for informational purposes. It does not modify, limit or enlarge insurance policy provisions. The actual rights and responsibilities of the insurer and the Insured are contained in the policy’s terms and conditions.

A PDF copy of each form is included in this filing. This memorandum is to be used in conjunction with the enclosed redline comparison for the policy and each endorsement contained in this submission. Also included for your reference is Appendix A – Previous Policy Reference (herein, “Appendix A”). A majority of the policy terms in this filing were previously filed and approved. Appendix A contains the form name, form number and previous company filing number for each previously filed form and two new endorsements.

The State Amendatory Endorsement is being filed where necessary and contains only changes related to the policy language explained herein.

In this filing, the Company is submitting an all risk coverage property damage policy and endorsement forms. The majority of the policy coverages in these forms were previously filed and approved with the FMGA 2011 Policy series of forms. The Company’s intent is to simplify the coverage wordings and to provide enhanced cover. There is no rate change for this filing.

The Company requests an effective date of April 1, 2016 for each form contained in this filing. The Company intends to make the enclosed forms available for new and renewal business for use from that effective date.

The following forms are included in this filing:

- FMGA 2016: Property Damage Policy
- FMG7541: Off Premises Data Services Property Damage Endorsement
- FMG7542: Off Premises Data Services Time Element Endorsement
- FMG7437: Accidental Interruption of Services Endorsement
- FMG3303: Loss Payment Increased Tax Liability Endorsement
- FMG3102: Service Interruption Property Damage Endorsement
- FMG7441: Insured Option Endorsement
- FMG3230: Ingress/Egress Endorsement
- FMG7317: Logistics Extra Cost Endorsement
- FMG3203: Service Interruption Time Element Endorsement
- FMG3233: Actual Loss Sustained Endorsement
- FMG7446: Communicable Disease Response Endorsement
- FMG3124: Coinsurance Deficiency and Currency Devaluation Endorsement
- FMG7440: Fine Arts and Valuable Papers and Records Endorsement

FACTORY MUTUAL INSURANCE COMPANY
FILING FMIC-2016-1
Explanatory Filing Memorandum

- FMG3128: Installment or Deferred Payments Endorsement
- FMG7442: Machinery or Equipment Startup Option Endorsement
- FMG7168: Terrorism Endorsement
- FMG3201: Gross Earnings Endorsement
- FMG3209: Gross Profit Endorsement
- FMG3208: Extra Expense Endorsement
- FMG3205: Rental Insurance Endorsement
- FMG3212: Leasehold Interest Endorsement
- FMG7243: Computer Systems – Non Physical Damage Endorsement
- FMG7236: Civil or Military Authority Endorsement
- FMG7238: Contingent Time Element Extended Endorsement
- FMG7438: Attraction Property Endorsement
- FMG7439: Crisis Management Endorsement
- FMG7237: Delay in Startup Endorsement
- FMG7450: Interruption by Communicable Disease Endorsement
- FMG3232: Research and Development Endorsement
- FMG7239: Soft Costs Endorsement
- State Amendatory Endorsement (If required)

FMGA 2016: PROPERTY DAMAGE POLICY

DECLARATIONS:

Named Insured and Mailing Address: No change.

Policy Dates: No change.

Insurance Provided: This section has been added to better describe how the insured can find coverage within the policy. This new section replaces the former Insured Location section which provided that the policy coverage applied to insured locations, as defined in the policy. Please see the Miscellaneous Property explanation below for more information. There is no material change in coverage.

**Please note that the defined term, “insured location” has been replaced with “insured location” throughout the policy and policy endorsements. This change is not explained further in each clause below because there is no material change in coverage.*

Premium: No change.

Premium Payable: No change.

Loss Adjustment/Payable: No change.

Territory: No change.

FACTORY MUTUAL INSURANCE COMPANY
FILING FMIC-2016-1
Explanatory Filing Memorandum

Jurisdiction: No change.

Currency: No change.

Limits of Liability: No change.

Deductibles: No change.

PROPERTY DAMAGE:

Insured Property: Section title has been changed for clarification. There is no material change in coverage.

Excluded Property: Section title has been changed for clarification. The “accounts, bills, deeds, evidences of debt or title” exclusions have been removed. This is an expansion of coverage. “Currency, money, notes or securities” and “precious metal in bullion form” have been separated into two distinct categories for clarification. There are no other changes in coverage.

Exclusions: The section referenced in Section A.6. has been changed from Demolition and Increased Cost of Construction to Law and Ordinance. SEE Law and Ordinance below for further explanation. OFF PREMISES DATA SERVICES has been added as additional cover. See OFF PREMISES DATA SERVICES below for further explanation. There is no material change in coverage.

Valuation: The Demolition and Increased Cost of Construction section reference has been changed to Law and Ordinance. SEE Law and Ordinance below for further explanation.

Additional Coverages: There is no change in coverage to introductory paragraph. Please see specific coverages below.

Automatic Coverage: No change.

Brands and Labels: No change.

Consequential Reduction in Value: No change.

Data, Programs or Software: No change.

Debris Removal: No change.

Errors and Omissions: No change.

Expediting Costs: No change.

FACTORY MUTUAL INSURANCE COMPANY
FILING FMIC-2016-1
Explanatory Filing Memorandum

Land and Water Contaminant Cleanup, Removal and Disposal: No change.

Law and Ordinance: This is a new clause which provides coverage for costs associated with a law or ordinance that is enforced as a result of a loss at an insured location. This clause contains coverage which was previously provided in Demolition and Increased Cost of Construction as well as coverage for the portions of property of buildings that have been down-zoned and cannot be fully repaired or replaced due to a law or ordinance. This is an expansion in coverage.

Miscellaneous Property: This new clause combines coverage previously provided by: Form FMG7235: Miscellaneous Personal Property Endorsement, approved in filing FMIC-2004-9; Off Premises Storage for Property under Construction, Form FMG7233, approved in filing FMIC-2011-1; Form 7327: Personal Property not at a Location, approved in filing FMIC-2011-1 and miscellaneous unnamed locations coverage provided via the Insured Location clause in Form FMGA 2011 approved in filing FMIC-2011-1. This simplifies the previous coverages into one clause for the insured. There is no material change in coverage.

Protection and Preservation of Property: No change.

Temporary Removal of Property: No change.

LOSS ADJUSTMENT AND SETTLEMENT

No changes.

GENERAL PROVISIONS

Cancellation/Non-Renewal: No change.

Inspections: No change.

Provisions Applicable to Specific Jurisdictions: No change.

Liberalization: No change.

Misrepresentation and Fraud: No change.

Lenders Loss Payee and Mortgagee Interests and Obligations: No change.

Other Insurance: No change.

Policy Modification: No change.

Reduction by Loss: No change.

FACTORY MUTUAL INSURANCE COMPANY
FILING FMIC-2016-1
Explanatory Filing Memorandum

Suspension: No change.

Titles: No change.

Assignment: No change.

Definitions:

communicable disease: this term defines the term referenced in Communicable Disease Response and Interruption by Communicable Disease coverages.

off shore: this term is no longer defined in the form as it is meant to take on its generally understood meaning within policy forms.

off premises data processing or data transmission services: this term defines the services referenced in Off Premises Data Services Property Damage coverage.

startup: this term is no longer defined in the form as it is defined within the Machinery or Equipment Startup Option Endorsement.

Note Regarding Terrorism Coverage

Some terrorism exclusions appear within the FMGA 2016 policy form mentioned above and the Endorsements contained herein. Please note that every policy contains Form FMG7308, Supplemental United States Certified Act of Terrorism Endorsement, approved in FMIC-2015-1 and paragraph C. of Provisions Applicable to Specific Jurisdictions within Form FMGA 2016 filed herein.

With respect to property within the USA, the effect of both clauses is to replace the definition of terrorism with the “certified” acts definition and remove the terrorism exclusions within the policy as they would have applied to “certified acts”. An event that is not considered a “certified terrorism” event (sometimes known as “non-certified”), therefore will not be considered terrorism, and will not be subject to any of the terrorism exclusions. They will be addressed within the all-risks coverage, and only subject to general policy terms. The Policy will cover “non-certified” acts as it does other perils such as fire.

The Company typically issues international policies that cover property in multiple jurisdictions and therefore terrorism coverage needs to be appropriate both within the United States and outside of the United States.

FACTORY MUTUAL INSURANCE COMPANY
FILING FMIC-2016-1
Explanatory Filing Memorandum

FMG7541: Off Premises Data Services Property Damage Endorsement

This is a new optional endorsement which provides coverage for insured property when an accidental event at a data facilities provider causes an interruption of data processing or data transmission services.

FMG7542: Off Premises Data Services Time Element Endorsement

This is a new optional endorsement which provides coverage for losses related to off premises data processing or data transmission services when an accidental event at the facilities provider causes an interruption to the Insured's business.

FMG7437: Accidental Interruption of Services Endorsement
FMG3303: Loss Payment Increased Tax Liability Endorsement
FMG3102: Service Interruption Property Damage Endorsement
FMG7441: Insured Option Endorsement
FMG3230: Ingress/Egress Endorsement
FMG7317: Logistics Extra Cost Endorsement
FMG3203: Service Interruption Time Element Endorsement
FMG3233: Actual Loss Sustained Endorsement

The 8 Endorsements listed above are being refiled to reflect that the defined term “**insured location**” has been replaced with “**insured location**”. This is the only substantive change in these endorsements. Some endorsements also include grammatical and editorial changes for clarification. Please see Insurance Provided coverage of Form FMGA 2016 above for more information. Relating to FMG3203 only, the title of the endorsement has been amended from Service Interruption Endorsement for clarification. There is no material change in coverage.

FMG7446: Communicable Disease Response Endorsement

This endorsement was previously approved in filing FMIC-2011-13 as Communicable Disease Cleanup, Removal and Disposal Endorsement. The replaced Endorsement was previously available to insureds with healthcare occupancies only. Grammatical and editorial changes have been made to remove the **healthcare facility** terms because this coverage is now offered as optional to all clients. The coverage also now allows for an officer of the Insured to trigger the coverage. This is an expansion in coverage.

FMG3124: Coinsurance Deficiency and Currency Devaluation Endorsement

This endorsement was previously approved in filing FMIC-2004-9, as Coinsurance Deficiency Endorsement. Grammatical and editorial changes have been made to utilize the defined term, **representative companies** and to provide that the insured should adjust foreign policy values if affected by a significant currency devaluation. This is a reduction of coverage which allows for clarification of the adjustment period.

FACTORY MUTUAL INSURANCE COMPANY
FILING FMIC-2016-1
Explanatory Filing Memorandum

FMG7440: Fine Arts and Valuable Papers and Records Endorsement

This endorsement was previously approved in filing FMIC-2011-1. Grammatical and editorial changes have been made to reference the proper Property Excluded section. There is no material change in coverage.

FMG3128: Installment or Deferred Payments Endorsement

This endorsement was previously approved in filing FMIC-2001-2 as Deferred Payments Endorsement. Grammatical and editorial changes have been made to utilize the bolded, defined term, **actual cash value** in order to invoke the definition used in the policy form, FMGA 2016. There is no material change in coverage.

FMG7442: Machinery or Equipment Startup Option Endorsement

This endorsement was previously approved in filing FMIC-2011-1. Grammatical and editorial changes have been made to remove the bolded, defined term, **startup** and instead define the term within the endorsement as it is specific to this coverage. There is no material change in coverage.

FMG7168: Terrorism Endorsement

This endorsement was previously approved in company filing FMIC-2011-1. Grammatical and editorial changes have been made to utilize the more general concept of insurance provided. Please see the explanation in Miscellaneous Property of form FMGA 2016 above. The valuation clause has been removed because the valuation clause relating to terrorism in the FMGA 2016 form will apply. There is no material change in coverage.

FMG3201: Gross Earnings Endorsement

FMG3209: Gross Profit Endorsement

FMG3208: Extra Expense Endorsement

FMG3205: Rental Insurance Endorsement

FMG3212: Leasehold Interest Endorsement

The 5 endorsements listed above were previously approved in filing FMIC-2011-1. The clauses “provided such loss or damage is not at a **contingent time element location**” and “while in transit as provided by this policy” have been added to clarify how the coverage applies as it relates to the Insurance Provided and Miscellaneous Property clauses within the FMGA 2016 form. There is no material change in coverage. Coverage for contingent time element locations will be addressed within the Contingent Time Element Extended Endorsement.

Relating to FMG3201, FMG3209, FMG3208 and FMG3205, the Period of Liability exclusion relating to restaffing or retraining employees has been amended to state that the exclusion does

FACTORY MUTUAL INSURANCE COMPANY
FILING FMIC-2016-1
Explanatory Filing Memorandum

not apply to retraining staff to use new machinery and equipment within the stated period of time. This is an expansion in coverage.

Relating to FMG3208, Extra Expense Endorsement only, the costs to purchase finished goods from third parties to fulfill orders that cannot be met have been added to this coverage. This is an expansion in coverage. Additional period of liability provisions have also been added. This is a clarification.

FMG7243: Computer Systems – Non Physical Damage Endorsement

This endorsement was previously approved in filing FMIC-2011-1. Paragraph 2 has been added to cover loss resulting from the Insured's reasonable actions to protect electronic data processing equipment or media against impending malicious acts. This is an expansion in coverage.

FMG7236: Civil or Military Authority Endorsement

This endorsement was previously approved in filing FMIC-2011-1. This coverage extension now covers losses sustained due to a limitation, restriction or prohibition of partial or total access to an insured location due to an order of civil or military authority. This is an expansion in coverage.

FMG7238: Contingent Time Element Extended Endorsement

This endorsement was previously approved in filing FMIC-2008-3. Grammatical and editorial changes have been made for clarification. The new endorsement form no longer defines contingent time element locations within its terms, but instead refers to the bolded, defined term **contingent time element extended locations** as utilized in the FMGA 2016 form. This endorsement also removes the condition relating to the indemnity period because it will be provided within the Time Element coverage. There is no material change in coverage.

FMG7438: Attraction Property Endorsement

This endorsement was previously approved in filing FMIC-2011-1. The terrorism exclusion has been added to clarify the Company's intent. Please note that this terrorism exclusion will not apply within the United States as described in 'Note Regarding Terrorism Coverages' above. There is no material change in coverage.

FMG7439: Crisis Management Endorsement

This endorsement was previously approved in filing FMIC-2011-1. This version has been updated to add workplace accident events as a trigger of coverage. This is an expansion in coverage.

FMG7237: Delay in Startup Endorsement

FACTORY MUTUAL INSURANCE COMPANY
FILING FMIC-2016-1
Explanatory Filing Memorandum

This endorsement is was previously approved in filing FMIC-2004-9. This version has been updated to remove the reference to Off Premises Storage for Property under Construction and instead refer to the more broad insured **location** term. There is no material change in coverage.

FMG7450: Interruption by Communicable Disease Endorsement

This endorsement was previously approved in filing FMIC-2011-13 as Interruption by Communicable Disease Expense Endorsement. The replaced Endorsement was previously available to insureds with he healthcare occupancies only. This coverage has been reformatted to remove the **healthcare facility** terms and is now offered to all clients. The coverage also now allows for an officer of the Insured to trigger the coverage. This is an expansion in coverage.

Form FMG3232: Research and Development Endorsement

This endorsement was previously approved in filing FMIC-2001-2. Grammatical and editorial changes have been made for clarification. There is no material change in coverage.

Form FMG7239: Soft Costs Endorsement

This endorsement is was previously approved in filing FMIC-2004-9. Grammatical and editorial changes have been made for clarification. The new endorsement form no longer defines soft costs within its terms, but instead refers to the bolded, defined term **soft costs** as utilized in the FMGA 2016 form. There is no material change in coverage.

STATE AMENDATORY ENDORSEMENT (If required)

Grammatical and editorial changes to be consistent with policy format. There is no material change in coverage.

FACTORY MUTUAL INSURANCE COMPANY
FILING FMIC-2016-1
Explanatory Filing Memorandum

FMIC-2016-1 Appendix A: Previous Policy Reference		
POLICY FORM	FORM NO.	PRIOR COMPANY FILING NO.
FMGA 2016	FMGA 2016	FMIC-2011-1
OFF PREMISES DATA SERVICES PROPERTY DAMAGE ENDORSEMENT	FMG7541	New
OFF PREMISES DATA SERVICES TIME ELEMENT ENDORSEMENT	FMG7542	New
ACCIDENTAL INTERRUPTION OF SERVICES ENDORSEMENT	FMG7437	FMIC-2011-1
LOSS PAYMENT INCREASED TAX LIABILITY ENDORSEMENT	FMG3303	FMIC-2011-1
SERVICE INTERRUPTION PROPERTY DAMAGE ENDORSEMENT	FMG3102	FMIC-2011-1
INSURED OPTION ENDORSEMENT	FMG7441	FMIC-2011-1
INGRESS/EGRESS ENDORSEMENT	FMG3230	FMIC-2011-1
LOGISTICS EXTRA COST ENDORSEMENT	FMG7317	FMIC-2011-1
SERVICE INTERRUPTION TIME ELEMENT ENDORSEMENT	FMG3203	FMIC-2011-1
ACTUAL LOSS SUSTAINED ENDORSEMENT	FMG3233	FMIC-2011-1
COMMUNICABLE DISEASE RESPONSE ENDORSEMENT	FMG7446	FMIC-2011-13
COINSURANCE DEFICIENCY AND CURRENCY DEVALUATION ENDORSEMENT	FMG3124	FMIC-2004-9
FINE ARTS AND VALUABLE PAPERS AND RECORDS ENDORSEMENT	FMG7440	FMIC-2011-1
INSTALLMENT OR DEFERRED PAYMENTS ENDORSEMENT	FMG3128	FMIC-2001-2
MACHINERY OR EQUIPMENT STARTUP OPTION ENDORSEMENT	FMG7442	FMIC-2011-1
TERRORISM ENDORSEMENT	FMG7168	FMIC-2011-1
GROSS EARNINGS ENDORSEMENT	FMG3201	FMIC-2011-1
GROSS PROFIT ENDORSEMENT	FMG3209	FMIC-2011-1
EXTRA EXPENSE ENDORSEMENT	FMG3208	FMIC-2011-1
RENTAL INSURANCE ENDORSEMENT	FMG3205	FMIC-2011-1
LEASEHOLD INTEREST ENDORSEMENT	FMG3212	FMIC-2011-1
COMPUTER SYSTEMS NON PHYSICAL DAMAGE ENDORSEMENT	FMG7243	FMIC-2011-1
CIVIL OR MILITARY AUTHORITY ENDORSEMENT	FMG7236	FMIC-2011-1
CONTINGENT TIME ELEMENT EXTENDED ENDORSEMENT	FMG7238	FMIC-2008-3
ATTRACTION PROPERTY ENDORSEMENT	FMG7438	FMIC-2011-1
CRISIS MANAGEMENT ENDORSEMENT	FMG7439	FMIC-2011-1
DELAY IN START UP ENDORSEMENT	FMG 7237	FMIC-2004-9
INTERRUPTION BY COMMUNICABLE DISEASE ENDORSEMENT	FMG7450	FMIC-2011-13
RESEARCH AND DEVELOPMENT ENDORSEMENT	FMG3232	FMIC-2001-2
SOFT COSTS ENDORSEMENT	FMG7239	FMIC-2004-9
STATE AMENDATORY ENDORSEMENTS	varies state to state	varies state to state